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## Raising the Minimum Wage: Key Facts and Figures

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## Raising the Minimum Wage: Key Facts and Figures

### Abstract

In New York State, roughly 37% of workers earn low wages (less than \$15 per hour, or \$31,200 per year). In Erie County, the percentage is 41% (159,800 of 393,600 wage-earning workers). 94% of low wage workers in New York State are age 20 or over. 67% of those earning low wages are working 35 hours per week or more. 51% of those earning low wages have some college education or more. 53% of low-wage workers are female. 53% are white, 18% are black, 21% are Hispanic, and 9% are Asian. Almost half of all black and Hispanic workers earn low wages. Of low-wage workers, about one third (1.1 million) earn less than \$10 per hour.

### Keywords

Buffalo, Poverty/Low Wage Work/Income Inequality, Wages and Benefits, Policy Brief, PPG, PDF

## Raising the Minimum Wage: Key Facts and Figures

### Who are Low-Wage Workers?

- In New York State, roughly 37% of workers earn low wages (less than \$15 per hour, or \$31,200 per year). In Erie County, the percentage is 41% (159,800 of 393,600 wage-earning workers).<sup>1</sup>
- 94% of low wage workers in New York State are age 20 or over.<sup>2</sup>
- 67% of those earning low wages are working 35 hours per week or more.<sup>3</sup>
- 51% of those earning low wages have some college education or more.<sup>4</sup>
- 53% of low-wage workers are female. 53% are white, 18% are black, 21% are Hispanic, and 9% are Asian. Almost half of all black and Hispanic workers earn low wages.<sup>5</sup>
- Of low-wage workers, about one third (1.1 million) earn less than \$10 per hour.<sup>6</sup>

### Who Employs Low-Wage Workers?

- Nation-wide, most low-wage workers (66%) work for large corporations with over 100 employees.<sup>7</sup>
- At the fifty largest employers of low-wage workers in the U.S., top executive compensation averages \$9.4 million per year.<sup>8</sup>
- In New York, 33% of low-wage workers are in retail, leisure, or hospitality. In these industries, roughly 60% of workers earn low wages.<sup>9</sup>

#### *Three Largest Employers of Low-Wage Workers<sup>10</sup>*

	Highest Paid Exec's Hourly Compensation	Profit Growth Over Last Four Fiscal Years
Walmart	\$9,066	23%
Yum Brands	\$10,206	45%
McDonald's	\$2,037	130%

## **New York's Minimum Wage Has Eroded Over Time**

- New York's current minimum wage is \$8.00. It is scheduled to rise to \$8.75 on December 31, 2014 and \$9.00 on December 31, 2015.
- If the state minimum wage had kept pace with inflation since 1970, it would be \$11.11.<sup>11</sup>

## **The Minimum Wage Does Not Come Close to Family Self-Sufficiency**

- The self-sufficiency standard measures how much a family would need to meet all its basic expenses.
- For Erie County, self-sufficiency for a family of four, with two adults, one preschooler, and one school-age child, requires a family budget of \$55,369 per year, which means that the two adults would each need to earn at least \$13.31 per hour at full-time jobs.<sup>12</sup>

*In Erie County, a two working adults with two children need to each earn \$13.31 per hour for the family to meet its basic needs.*

## **Both Economists and the General Public Support Raising the Minimum Wage**

- The University of Chicago recently asked 41 leading economists about President Obama's proposal to raise the national minimum wage and index it to inflation. More than three times as many economists supported the plan as opposed it.<sup>13</sup>
- In a 2013 national poll, 71% of Americans supported raising the minimum wage.<sup>14</sup>

## **Raising the Minimum Wage Does Not Kill Businesses or Jobs**

- As Nobel-winning economist Paul Krugman summarizes the research, "the great preponderance of the evidence . . . points to little if any negative effect of minimum wage increases on employment."<sup>15</sup>
- Economist Jeannette Wicks-Lim estimates that restaurants could absorb a minimum wage increase of 70% without losing business.<sup>16</sup>
- In 2004 Santa Fe raised its minimum wage by 65% without a loss of jobs.<sup>17</sup>
- Raising the federal minimum wage to \$10.10 per hour and indexing it to inflation would generate more than \$30 billion in new economic activity and support the creation of 140,000 new full-time jobs as businesses grow to meet increased consumer demand.<sup>18</sup>

## NOTES

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<sup>1</sup> National Employment Law Project. “Why New York State Should Let Cities and Counties Enact Higher Local Minimum Wages.” February 2014.

<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> Id.

<sup>7</sup> National Employment Law Project. “Big Business, Corporate Profits, and the Minimum Wage.” July 2012.

<sup>8</sup> Id.

<sup>9</sup> National Employment Law Project. “Why New York State Should Let Cities and Counties Enact Higher Local Minimum Wages.” February 2014.

<sup>10</sup> National Employment Law Project. “Big Business, Corporate Profits, and the Minimum Wage.” July 2012.

<sup>11</sup> National Employment Law Project. “Why New York State Should Let Cities and Counties Enact Higher Local Minimum Wages.” February 2014.

<sup>12</sup> Id.

<sup>13</sup> Arindrajit Dube. “The Minimum We Can Do.” New York Times, December 1, 2013.

<sup>14</sup> Pew Research. “Public Support for Raising the Federal Minimum Wage.” February 2013.

<sup>15</sup> Paul Krugman. “Raise That Wage.” New York Times. February 17, 2013.

<sup>16</sup> Jeannette Wicks-Lim. “How High Could the Minimum Wage Go?” Dollars and Sense. July/August 2012.

<sup>17</sup> Id.

<sup>18</sup> Economic Policy Institute. “Raising the Federal Minimum Wage to \$10.10 Would Give Working Families, and the Overall Economy, a Much-Needed Boost.” 2013.